

### **REMARKS**

The Office Action mailed October 11, 2006, has been received and reviewed. Each of claims 1-22 stands rejected. More specifically, claim 4 was objected to because of various informalities. Claims 8-9 and 15-16 were objected to because of improper dependent form for failing to further limit the subject matter of a previous claim. Claim 6 was rejected under 35 U.S.C. § 112 ¶ 2 as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1-9 and 17-22 were rejected under 35 U.S.C. 103(a) as being unpatentable over the Kalakota reference (Kalakota, Ravi & Whinston, Andrew B. *Electronic Commerce: A Manager's Guide*. Addison-Wesley. 1997. pp. 157, 160-61, 163-67, 170, 193-95, 337, and 376). Claims 10-16 were rejected under 35 U.S.C. § 103(a) as being unpatentable over the Lowrey reference (Lowrey, Joseph, *Buying Online for Dummies*. IDG Books. 1998. pp. 164-68) in view of the Kalakota reference. Reconsideration of the present application in view of the above amendments and the following remarks is respectfully requested.

### **Summary of Telephonic Interview**

Applicants would like to thank Examiner Borlinghaus for granting an interview on January 2, 2007 and for considering the proposed amendments and arguments regarding the deficiencies in the prior art, including the Kalakota reference and the Lowrey reference.

During the interview, Applicants attempted to clarify the objections to claims 4, 8-9, and 15-16. Applicants and Examiner Borlinghaus seemingly came to an understanding regarding each of these claims, and the claims, as amended herein, should now overcome the objections set forth in the October 11, 2006 Office Action. Additionally, Applicants attempted to clarify the § 112 ¶ 2 claim rejection to claim 6. Applicants and Examiner Borlinghaus came to

an understanding regarding the § 112 ¶ 2 rejection and the claim, as amended herein, should now overcome the rejection set forth in the October 11, 2006 Office Action.

Further, during the interview, Applicants attempted to clarify that the claimed invention involves the use of a traditional payment method, namely the paper check, in an e-commerce setting. The cited prior art discloses the use of electronic checks in the context of online bill payment. Examiner Borlinghaus considered the arguments and suggested that the arguments be presented for further consideration by both Examiner Borlinghaus and his supervisor. The present communication is respectfully submitted in this regard.

#### **Amendments to the Claims**

Claims 1, 2, 3, 6, 7, 10, 17, 18, and 19 have been amended. Care has been exercised to avoid the introduction of new matter. Support for the amendments can be found in the Specification. *See, e.g., Specification* at p. 7, lines 6-10; p. 9, lines 8-13; p. 10, lines 2-7; p. 15, lines 4-7.

#### **Claim Objections**

It is stated in the Office Action that claim 4 is objected to because of various informalities. *See, Office Action* at p. 2 ¶ 1. Applicants respectfully submit their belief that the Examiner was referring to claim 3 in regard to the stated informalities. Claim 3 has been amended herein and, as currently amended, claim 3 is believed to overcome the objections.

Additionally, it is stated in the Office Action that claims 8-9 and 15-16 are objected to as being of improper dependent form for failing to further limit the subject matter of a previous claim. *See, Office Action* at p. 2 ¶ 2. “The test as to whether a claim is a proper dependent claim is that it shall include every limitation of the claim from which it depends . . . the test is not one of whether the claims differ in scope.” MPEP 608.01(n)(III); *see also Ex parte*

*Porter*, 25 U.S.P.Q.2d 1144 (Bd. Pat. App. & Inter. 1992). In other words, a dependent claim “shall not conceivably be infringed by anything which would not also infringe the basic claim.” MPEP 608.01(n)(III).

Here, independent claim 1 recites a method and dependent claim 8 recites a computer readable medium having computer executable instructions for performing the method. Thus, because dependent claim 8 includes the method of independent claim 1, it incorporates each and every limitation of independent claim 1. Nothing could infringe the computer readable medium of claim 8 which would not also infringe the method of independent claim 1. Moreover, claim 9 recites a computer system having a processor, a memory and an operating environment, the computer system operable to execute the method of independent claim 1. Again, nothing could infringe the system of claim 9 which would not also infringe the method of claim 1 because the method of claim 1 is incorporated in the system of claim 9. Similarly, claims 15 and 16 recite a computer readable medium and a system for performing the method recited in independent claim 10. Accordingly, Applicants respectfully submit that claims 8-9 and 15-16 are in proper dependent form and request withdrawal of the 37 CFR 1.75(c) objection.

**Rejections based on 35 U.S.C. § 112 ¶ 2**

“In reviewing a claim for compliance with 35 U.S.C. § 112, second paragraph, the examiner must consider the claim as a whole to determine whether the claim apprises one of ordinary skill in the art of its scope . . . .” MPEP § 2173.02; *see also Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1379 (Fed. Cir. 2000). “Definiteness of claim language must be analyzed, not in a vacuum, but in light of,” *inter alia*, the content of the specification and the teachings of the prior art. *Id.*

Claim 6 stands rejected under 35 U.S.C. § 112 ¶ 2 as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. Claim 6, as amended, particularly points out and distinctly claims the subject matter which Applicants regard as the invention. Specifically, claim 6 recites, *inter alia*, sending purchase amount and personal information *to a third party vendor*. Accordingly, withdrawal of the 35 U.S.C. § 112 ¶ 2 rejection of claim 6 is respectfully requested.

**Rejections based on 35 U.S.C. § 103(a)**

The requirements of a *prima facie* case of obviousness are summarized in MPEP § 2143 through § 2143.03. In order “[t]o establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success [in combining the references]. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).” See MPEP § 2143. Further, in establishing a *prima facie* case of obviousness, the initial burden is placed on the Examiner. “To support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references. *Ex parte Clapp*, 227 USPQ 972, 972, (Bd. Pat App. & Inter. 1985).” *Id.* See also MPEP § 706.02(j) and § 2142.

**§ 103(a) Rejections based on the Kalakota reference**

Claims 1-9 and 17-22 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the Kalakota reference. As a *prima facie* case of obviousness has not been established, Applicants respectfully traverse this rejection as hereinafter set forth.

As currently amended, independent claim 1 recites a method for a payment settlement process that electronically originates a paper check settlement for online transactions which comprises, in part, providing to an *e-commerce consumer interacting with an e-merchant*, an option to pay by check wherein a checking and depositing bank *prints a paper check and deposits the paper check into the account of an e-merchant*. As stated in the Specification, the present invention is directed to a method “for use in electronic commerce which allows consumers and businesses to use paper checks in their transactions with e-merchants.” *Specification* at p. 4, lines 1-2.

By way of contrast, the Kalakota reference discloses an electronic payment system that involves the use of electronic checks, rather than traditional paper checks. *See Kalakota reference* at p. 163-165. The electronic checks of the Kalakota reference consist of nothing more than electronic data and are, in fact, used as an alternative to paper checks. This is contrary to the method of claim 1 wherein the e-commerce consumer has the ability to interact with an e-merchant using a traditional, developed system for monetary transactions, namely the paper check. Accordingly, the Kalakota reference fails to teach or suggest all the limitations of claim 1.

Notably, the Kalakota reference discusses the “limitations of traditional payment instruments” in the e-commerce environment. *See Kalakota reference* at p. 157. The method of claim 1, however, recites a method for using traditional paper checks to conduct e-commerce

transactions. Thus, rather than teaching or suggesting all the limitations of claim 1, as required to show a *prima facie* case of obviousness, the Kalakota reference actually *teaches away* from the use of paper checks in e-commerce, as recited by claim 1. Further, although the Kalakota reference provides a cursory recitation of a physical check, the Kalakota reference still fails to teach or suggest all the limitations of claim 1 because the physical check is discussed in the context of online bill payment, where a user's accounting software functions to produce a physical check to pay a bricks and mortar merchant. *See Kalakota reference* at p. 195. This is different than the method of claim 1 where paper checks can be used in an e-commerce environment. Thus, claim 1 is patentable over the Kalakota reference. Therefore, withdrawal of the 35 U.S.C. § 103(a) rejection of this claim is respectfully requested.

With reference to independent claim 17, as currently amended, a system for settlement processing is recited, which comprises, in part, a means for secure communications between an *e-merchant*, *e-commerce consumer*, third party check verifier and a system for generating *paper* checks. By way of contrast, as previously stated, the Kalakota reference fails to teach or suggest the use of paper checks in e-commerce. Accordingly, it is respectfully submitted that the Kalakota reference fails to teach or suggest all the limitations of currently amended claim 17. Thus, claim 17 is patentable over the Kalakota reference. Therefore, withdrawal of the 35 U.S.C. § 103(a) rejection of this claim is respectfully requested.

With reference to independent claim 18, as currently amended, a system for generating paper checks from a purchase transaction is recited, which comprises, in part, a means for generating *a paper check for deposit into an account of an e-merchant*. By way of contrast, as previously stated, the Kalakota reference fails to teach or suggest the use of paper checks in e-commerce. Accordingly, it is respectfully submitted that the Kalakota reference fails to teach or

suggest all the limitations of currently amended claim 18. Thus, claim 18 is patentable over the Kalakota reference. Therefore, withdrawal of the 35 U.S.C. § 103(a) rejection of this claim is respectfully requested.

With reference to independent claim 19, as currently amended, a method for handling the settlement of checks is recited, which comprises, in part, returning *paper check items* against a forwarding account. By way of contrast, as previously stated, the Kalakota reference fails to teach or suggest the use of paper checks in e-commerce. Accordingly, it is respectfully submitted that the Kalakota reference fails to teach or suggest all the limitations of currently amended claim 19. Thus, claim 19 is patentable over the Kalakota reference. Therefore, withdrawal of the 35 U.S.C. § 103(a) rejection of this claim is respectfully requested.

As the Kalakota reference fails to teach or suggest all the limitations of independent claims 1, 17, 18, and 19 (as amended herein), it is respectfully submitted that these claims are patentable over the Kalakota reference. Each of claims 2-9 and 20-22 depends, either directly or indirectly, from one of the claims 1, 17, 18, and 19 and is, accordingly patentable over the Kalakota reference for at least the above-cited reasons. Accordingly, withdrawal of the 35 U.S.C. § 103(a) rejection of claims 2-9 and 20-22 is respectfully requested.

**§ 103(a) Rejections based on the Lowrey reference in view of the Kalakota reference**

Claims 10-16 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the Lowrey reference in view of the Kalakota reference. As a *prima facie* case of obviousness has not been established, Applicants respectfully traverse this rejection as hereinafter set forth.

As currently amended, independent claim 10 recites a method in a computer system having a graphical user interface including a display for displaying and a means for enabling entry of a plurality of purchaser informational items in the computer system, which

comprises, in part, displaying a plurality of labels and alphanumeric entry boxes for prompting and accepting purchaser informational items wherein the purchaser informational items are *used in electronic commerce to allow a paper check transaction between a consumer and an e-merchant*. As stated in the Specification, the present invention is directed to a method “for use in electronic commerce which allows consumers and businesses to use paper checks in their transactions with e-merchants.” *Specification* at p. 4, lines 1-2.

By way of contrast, the Lowery and Kalakota references, either alone or in combination, teach setting up an electronic bill pay account. *See Lowery reference* at p. 168. Notably, the Lowery and Kalakota references fail to teach or suggest the method of claim 10, wherein the entered informational items are used in electronic commerce to allow a paper check transaction. Instead, the Lowery and Kalakota references merely teach using an electronic check for online bill payment. Accordingly, the Lowery and Kalakota references, either alone or in combination, fail to teach or suggest all limitations of independent claim 10. Thus, claim 10 is patentable over the Lowery and Kalakota references. Therefore, withdrawal of the 35 U.S.C. § 103(a) rejection of this claim is respectfully requested.

As the Lowery and Kalakota references fail to teach or suggest all the limitations of independent claim 10 (as amended herein), it is respectfully submitted that these claims are patentable over the Lowery and Kalakota references. Each of claims 11-16 depends, either directly or indirectly from claim 10 and is, accordingly, patentable over the Lowery and Kalakota references for at least the above-cited reasons. Accordingly, withdrawal of the 35 U.S.C. § 103(a) rejection of claims 11-16 is respectfully requested.



### CONCLUSION

For at least the reasons stated above, claims 1-22 are in condition for allowance. Applicants respectfully request withdrawal of the pending objections and rejections and allowance of claims 1-22. If any issues remain that would prevent issuance of this application, the Examiner is urged to contact the undersigned by telephone prior to issuing a subsequent action.

No other fee is believed due in connection with this Amendment, but the Commissioner is hereby authorized to charge any additional amount required or to credit any overpayment to Deposit Account No. 19-2112.

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Respectfully submitted,



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